

payments from the family farm tax credit fund. The remaining appropriation to the family farm tax credit fund shall be distributed as provided in chapter 425A.

Sec. 3. **EFFECTIVE DATE.** This Act, being deemed of immediate importance, takes effect upon enactment.

Approved April 29, 1999

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## CHAPTER 88

### LIVESTOCK MARKETING PRACTICES — PACKERS

S.F. 436

**AN ACT** relating to practices involving the marketing of livestock concerning packers, by providing for the regulation of certain purchase information and contracting, and providing penalties and effective dates.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. Section 22.7, Code 1999, is amended by adding the following new subsection: **NEW SUBSECTION.** 38. Information revealing the identity of a packer or a person who sells livestock to a packer as reported to the department of agriculture and land stewardship pursuant to section 172C.2.

Sec. 2. **NEW SECTION.** 172C.1 DEFINITIONS.

1. "Department" means the department of agriculture and land stewardship.
2. "Livestock" means live cattle, swine, or sheep.
3. "Packer" means a person who is engaged in the business of slaughtering livestock or receiving, purchasing, or soliciting livestock for slaughter, if the meat products of the slaughtered livestock which are directly or indirectly to be offered for resale or for public consumption and the meat products\* have a total annual value of ten million dollars or more. As used in this chapter, "packer" includes an agent of the packer engaged in buying or soliciting livestock for slaughter on behalf of a packer. "Packer" does not include a frozen food locker plant regulated under chapter 172.

Sec. 3. **NEW SECTION.** 172C.2 PURCHASE REPORTS — FILING.

1. A packer shall file purchase reports with the department which include information relating to the purchase of livestock as required by the department. The purchase reports shall be completed in a manner prescribed by the department. The department may require that purchase reports be filed in an electronic format. A packer shall file purchase reports at times determined practicable by the department, but not later than two business days following the event being reported.

2. a. The information required to be reported may include but is not limited to livestock purchased, committed for delivery, or slaughtered. The information may include the volume of daily purchases and the weight, grade, and price paid for livestock, including all premiums, discounts, or adjustments. If livestock is purchased pursuant to contract, the department may require that information in the purchase report be categorized by the type of contract. The purchase reports shall allow the department to compare prices paid under contract with cash market prices.

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\* See chapter 208, §49 herein

b. This section does not require that information reported include future plans, events, or transactions, unless provided for by contract.

3. The department may provide for the public dissemination of information contained in purchase reports.

a. The department may enter into an agreement with the United States department of agriculture or any private marketing service in order to disseminate information contained in purchase reports.

b. The department, in consultation with the office of attorney general, shall designate information in purchase reports that reveals the identity of a packer or livestock seller as confidential pursuant to section 22.7.

Sec. 4. NEW SECTION. 172C.3 PURCHASE NOTICE — POSTING.

1. a. A packer shall post a purchase notice which includes information relating to the purchase of livestock as required by the department. The information contained in the purchase notice shall include a summary of information required to be filed in purchase reports as provided in section 172C.2.

b. This section does not require that information contained in a purchase notice include future plans, events, or transactions unless provided for by contract.

2. The information contained in the purchase notice shall appear in a format that can be understood by a reasonable person familiar with selling livestock. The notice shall be posted in a conspicuous place at the point of delivery in a manner prescribed by the department.

Sec. 5. NEW SECTION. 172C.4 CONFIDENTIALITY PROVISIONS IN CONTRACTS PROHIBITED.

1. A packer shall not include a provision in a contract executed on or after the effective date of this section for the purchase of livestock providing that information contained in the contract is confidential.

2. A provision which is part of a contract for the purchase of livestock executed on and after the effective date of this section for the purchase of livestock is void, if the provision states that information contained in the contract is confidential. The provision is void regardless of whether the confidentiality provision is express or implied; oral or written; required or conditional; contained in the contract, another contract, or in a related document, policy, or agreement. This section does not affect other provisions of a contract or a related document, policy, or agreement which can be given effect without the voided provision. This section does not require either party to the contract to divulge the information in the contract to another person.

Sec. 6. NEW SECTION. 172C.5 RULES.

1. The department, in consultation with the office of attorney general, shall adopt rules necessary in order to administer this chapter.

2. The department may establish different rules according to the species of livestock governing all of the following:

a. Purchase reporting requirements pursuant to section 172C.2.

b. Purchase notice posting requirements pursuant to section 172C.3.

Sec. 7. NEW SECTION. 172C.6 ENFORCEMENT.

1. a. The attorney general's office is the primary agency responsible for enforcing this chapter.

b. The department shall notify the attorney general's office if the department has reason to believe that a violation of section 172C.2 has occurred.

2. In enforcing the provisions of this chapter, the attorney general may do all of the following:

a. Apply to the district court for an injunction to do any of the following:

- (1) Restrain a packer from engaging in conduct or practices in violation of this chapter.
  - (2) Require a packer to comply with a provision of this chapter.
  - b. Apply to district court for the issuance of a subpoena to obtain contracts, documents, or other records for purposes of enforcing this chapter.
  - c. Bring an action in district court to enforce penalties provided in this chapter, including the imposition, assessment, and collection of monetary penalties.
3. The attorney general shall have access to all information reported by packers pursuant to section 172C.2, regardless of whether the information is confidential. The attorney general may use the information in order to enforce this chapter or may submit the information to a federal agency.

Sec. 8. NEW SECTION. 172C.7 PENALTIES.

1. A packer who fails to file a timely, accurate, or complete purchase report as required pursuant to section 172C.2 is subject to a civil penalty of not more than five thousand dollars. Each failure by a packer to file a timely, accurate, or complete purchase report constitutes a separate violation.
2. A packer who fails to post a timely, accurate, or complete purchase notice as required pursuant to section 172C.3 is subject to a civil penalty of not more than one thousand dollars. Each failure by a packer to post a timely, accurate, or complete purchase notice constitutes a separate violation.
3. A packer who includes a confidentiality provision in a contract with a livestock seller in violation of section 172C.4 is guilty of a fraudulent practice as provided in section 714.8.

Sec. 9. Section 714.8, Code 1999, is amended by adding the following new subsection: NEW SUBSECTION. 17. A packer who includes a confidentiality provision in a contract with a livestock seller in violation of section 172C.4.

Sec. 10. APPLICABILITY. A packer shall provide purchase reports to the department of agriculture and land stewardship as required in section 172C.2 and shall post a purchase notice as provided in section 172C.3, as enacted in this Act, for each species of livestock as defined in section 172C.1, as enacted in this Act, in accordance with rules adopted by the department governing that species.

Sec. 11. FUTURE REPEAL OF SECTIONS AND ELIMINATION OF PROVISIONS — IMPLEMENTATION OF FEDERAL STATUTES AND REGULATIONS.

1. Subject to subsection 2, all of the following shall apply:
  - a. If the federal government implements a statute or regulation that is substantially similar to or more stringent than purchase reporting requirements provided in section 172C.2 and penalties provided in section 172C.7, subsection 1, as enacted by this Act, all of the following shall apply:
    - (1) Section 172C.2 is repealed.
    - (2) All of the following sections are amended as follows:
      - (a) Section 22.7, subsection 38, by striking the subsection.
      - (b) Section 172C.5, subsection 2, paragraph “a”, by striking the paragraph.
      - (c) Section 172C.6, subsection 1, paragraph “b”, by striking the paragraph.
      - (d) Section 172C.6, subsection 3, by striking the subsection.
      - (e) Section 172C.7, subsection 1, by striking the subsection.
    - b. If the federal government implements a statute or regulation that is substantially similar to or more stringent than purchase notice requirements provided in section 172C.3 and penalties provided in section 172C.7, subsection 2, as enacted by this Act, all of the following shall apply:
      - (1) Section 172C.3 is repealed.
      - (2) All of the following sections are amended as follows:
        - (a) Section 172C.5, subsection 2, paragraph “b”, by striking the paragraph.

(b) Section 172C.7, subsection 2, by striking the subsection.

c. If the federal government implements a statute or regulation that is substantially similar to or more stringent than purchase reporting requirements and penalties as described in paragraph "a" and purchase notice requirements and penalties as described in paragraph "b", section 172C.5, subsection 2, is amended by striking the subsection.

2. Paragraph "a", "b", or "c", as provided in subsection 1, shall become applicable only upon a finding by the secretary of agriculture that the federal government has implemented a statute or regulation as provided in that specific paragraph in accordance with an order issued by the secretary of agriculture and filed with the secretary of state. The secretary of agriculture shall issue an order only after consulting with the attorney general.

3. The secretary of agriculture shall forward a copy of an order issued under this section to all of the following:

- a. The governor.
- b. The secretary of the senate and the chief clerk of the house of representatives.
- c. The attorney general.
- d. The Code editor and the administrative code editor.

4. The Code editor may recommend that any provision of chapter 172C, as enacted in this Act, be amended or eliminated in a Code editor's bill as necessary in order to conform the provisions of the chapter as provided in this section.

Sec. 12. RULEMAKING. The department of agriculture and land stewardship shall commence rulemaking as required in section 172C.5, as enacted in this Act, as soon as practicable upon the enactment of this Act. However, rules adopted by the department shall not be made effective prior to July 1, 2000, for a provision of this Act that takes effect on that date.

Sec. 13. EFFECTIVE DATES.

1. Except as provided in subsection 2, this Act takes effect on July 1, 2000.

2. Section 172C.4, section 172C.6, subsection 2, section 172C.7, subsection 3, section 714.8, subsection 17, section 12, and this section as enacted by this Act, being deemed of immediate importance, take effect upon enactment.

Approved April 29, 1999

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## CHAPTER 89

### MANUFACTURE OF CONTROLLED SUBSTANCE — PERSONAL USE

*H.F. 165*

**AN ACT** including the preparation or compounding of a controlled substance for one's own use within the definition of manufacturing a controlled substance, and providing an effective date.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. Section 124.101, subsection 16, unnumbered paragraph 1, Code 1999, is amended to read as follows:

"Manufacture" means the production, preparation, propagation, compounding, conversion, or processing of a controlled substance, either directly or by extraction from substances of natural origin, or independently by means of chemical synthesis, or by a combination of